THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.12489 OF 2006

DATED: 18TH JULY, 2006.

Between :

M/s. Cuddapah Spinning Mills Limited,
Erramasupalli village, K.S.R.M. Engineering
College Post, Kadapa District, rep. by
Its Managing Director Sri K. Srinivasa Reddy. . Petitioner

And

1. The Govt. of India, rep. by its Principal Secretary,
   Ministry of Labour, New Delhi., and
   Two others. .. Respondents

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WRIT PETITION NO.12489 OF 2006

O R D E R :

This writ petition is filed seeking a declaration that the notice dated 8-6-2006 issued by the 3rd respondent calling upon the petitioner to pay a sum of Rs.17,86,832/- (Rs.13,42,750/- towards penal damages and Rs.4,44,076/- towards interest under Section 14-B and Section 7-Q respectively of the Employees Provident Funds and Miscellaneous Provisions Act, 1952) as arbitrary and illegal.

However, the learned Counsel for the petitioner submits that after the notice was ordered by this Court in this writ petition, the Assistant Provident Fund Commissioner by letter dated 22/26-6-2006 informed the petitioner that as per Section 22 of the Sick Industrial Companies (Special Provisions) Act, 1985, the penal damages under Section 14-B of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (for short, 'the Act') cannot be recovered, however, the recovery of the interest under Section 7-Q of the Act do not grant any protection. Accordingly, the petitioner was directed to remit a sum of Rs.4,44,076/- towards interest under Section 7-Q of the Act.

In view of the subsequent events, the learned Counsel for the petitioner states that no further adjudication is necessary on merits and that the petitioner is prepared to pay a sum of Rs.4,44,076/- towards interest under Section 7-Q of the Act.

Accordingly, the Writ Petition is disposed of granting liberty to the petitioner to pay a sum of Rs.4,44,076/- (Rupees Four lakhs forty four

thousand and seventy six only) within a period of four weeks from the date of receipt of this order. No costs.

G. ROHINI, J.

Dt. 18-7-2006
gbs